

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 3760 - HB 3790**

February 11, 2012

**SUMMARY OF BILL:** Requires public water systems to purchase products, which will be added to water, from manufacturers that meet certain requirements. Requires the manufacturer to make information readily accessible to the public. Creates a Class B misdemeanor punishable by a fine of \$500 for any manufacturer that knowingly omits or falsifies information.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$213,900/General Fund  
\$428,500/Environmental Protection Fund**

**Increase Local Expenditures – Exceeds \$4,000,000\***

**Assumptions:**

- According to the Department of Environment and Conservation (TDEC), additional tracking of chemicals and reviewing chemical certifications will be required.
- One additional staff member will be needed in each of the seven field offices. One environmental specialist 5, one environmental program specialist 3, and one administrative assistant will be needed in the central office.
- The total recurring increase in state expenditures for the 10 additional positions will be \$642,396 (\$402,300 salaries + \$119,296 benefits + \$120,800 vehicles/operational).
- The Division of Water Supply is funded 33.3 percent by the General Fund and 66.7 percent by the Environmental Protection Fund (EPF).
- A recurring increase in state expenditures from the EPF of \$428,478 (\$642,396 x 66.7%). A recurring increase in state expenditures from the General Fund of \$213,918 (\$642,396 x 33.3%).
- Based on information provided by TDEC and the Comptroller of the Treasury, this bill will result in an increased cost to local water systems for chemical treatment. There are approximately 400 water systems statewide. An average annual cost exceeding \$10,000 for each water system. A total recurring increase to local government expenditures exceeding \$4,000,000 (400 x \$10,000).

- There will not be a sufficient number of prosecutions of the Class B misdemeanor for state or local government to experience any significant increase in revenue or expenditures.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jaw